

Lion Athletics Association

Financial Report

Year Ended June 30, 2025

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Independent Auditor's Report

To the Board of Directors
Lion Athletics Association
Hammond, Louisiana

Opinion

We have audited the accompanying financial statements of Lion Athletics Association (a nonprofit organization), which comprise the statement of financial position as of June 30, 2025, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Lion Athletics Association as of June 30, 2025, and the changes in net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis For Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Lion Athletics Association and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities Of Management For The Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Lion Athletics Association's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities For The Audit Of The Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Lion Athletics Association's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Lion Athletics Association's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Report On Summarized Comparative Information

We have previously audited Lion Athletics Association's 2024 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated December 9, 2024. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2024, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Pedelahore & Co. LLP

Pedelahore & Co., LLP
Metairie, Louisiana
December 9, 2025

Lion Athletics Association
Statement Of Financial Position
June 30, 2025
(With Comparative Totals For 2024)

	<u>Assets</u>	
	<u>2025</u>	<u>2024</u>
Current Assets		
Cash	\$ 730,734	\$ 557,948
Accounts receivable	93,409	176,538
Promises to give	350,000	50,000
Due from concessions	1,132	-
Prepaid expenses	600	500
Total current assets	<u>1,175,875</u>	<u>784,986</u>
Property, Plant And Equipment		
Facility improvements	1,567,164	1,539,676
Machinery and equipment	383,918	381,905
Office furniture and equipment	2,625	2,625
	<u>1,953,707</u>	<u>1,924,206</u>
Less accumulated depreciation	<u>1,390,043</u>	<u>1,229,277</u>
	<u>563,664</u>	<u>694,929</u>
Other Assets		
Promises to give - long term	<u>1,737,352</u>	-
	<u>\$ 3,476,891</u>	<u>\$ 1,479,915</u>
	<u>Liabilities And Net Assets</u>	
Current Liabilities		
Accounts payable and accrued expenses	\$ 131,405	\$ 225,025
Due to concessions	-	2,600
Current pledge payable	300,000	-
Deferred revenue	49,298	49,065
Current maturities of long-term debt	462,893	522,465
Total current liabilities	<u>943,596</u>	<u>799,155</u>
Long-term Liabilities		
Long-term pledge payable	1,159,218	-
Long-term debt, net of current maturities	94,253	140,767
	<u>1,253,471</u>	<u>140,767</u>
Net Assets		
Without Donor Restrictions	8,760	(110,369)
With Donor Restrictions	1,271,064	650,362
	<u>1,279,824</u>	<u>539,993</u>
	<u>\$ 3,476,891</u>	<u>\$ 1,479,915</u>

The Notes To Financial Statements are an intergral part of these statements.

Lion Athletics Association
Statement Of Activities And Changes In Net Assets
Year Ended June 30, 2025
(With Comparative Totals For 2024)

	Without Donor <u>Restrictions</u>	With Donor <u>Restrictions</u>	<u>Totals</u>	
			<u>2025</u>	<u>2024</u>
Revenue And Other Support				
Contributions of cash and other financial assets	\$ 16,793	\$ 2,268,458	\$ 2,285,251	\$ 357,749
Sponsors	1,180,324	57,375	1,237,699	1,302,322
Ticket fees	136,565	-	136,565	129,647
Contributions of nonfinancial assets	11,627	107,920	119,547	173,517
Memberships	4,750	46,042	50,792	40,066
Special events/tournaments	-	4,302	4,302	14,865
Concession sales - net of cost of goods sold	101,349	-	101,349	85,477
Other revenue	89,069	262,003	351,072	376,954
	<u>1,540,477</u>	<u>2,746,100</u>	<u>4,286,577</u>	<u>2,480,597</u>
Net Assets Released From Restrictions Satisfaction Of Program Restrictions	<u>2,125,398</u>	<u>(2,125,398)</u>	<u>-</u>	<u>-</u>
Expenses				
Program	2,863,633	-	2,863,633	2,087,486
Management and general	429,466	-	429,466	390,754
Fundraising	253,647	-	253,647	283,721
	<u>3,546,746</u>	<u>-</u>	<u>3,546,746</u>	<u>2,761,961</u>
Changes In Net Assets	119,129	620,702	739,831	(281,364)
Net Assets - Beginning Of Year	<u>(110,369)</u>	<u>650,362</u>	<u>539,993</u>	<u>821,357</u>
Net Assets - End Of Year	<u>\$ 8,760</u>	<u>\$ 1,271,064</u>	<u>\$ 1,279,824</u>	<u>\$ 539,993</u>

The Notes To Financial Statements are an intergral part of these statements.

Lion Athletics Association
Statement Of Functional Expenses
Year Ended June 30, 2025
(With Comparative Totals For 2024)

2025

	Program								
	Baseball	Men's Basketball	Women's Basketball	Football	Golf	Soccer	Softball	Tennis	Track
Interest	\$ 10,652	\$ -	\$ -	\$ 31,630	\$ -	\$ -	\$ 1,791	\$ -	\$ -
Signs	-	-	-	-	-	-	-	-	-
Bank fees	-	-	-	-	-	-	-	-	-
Broadcasting	-	675	-	5,000	-	-	-	-	-
Hospitality/marketing	23,027	598	4,580	88,384	-	405	4,114	180	10,029
Operating expenses	264	-	51	1,120	-	2,300	-	-	2,200
Sponsorship expenses	-	-	-	-	-	-	-	-	-
Printing	4,556	3,931	3,491	10,753	184	402	2,641	310	348
Recruiting	-	-	-	-	-	-	-	-	-
Supplies/equipment/uniforms	-	-	-	-	-	-	-	-	-
Facility improvements	27,000	-	-	-	-	54	-	-	-
Fundraising	-	-	-	-	-	-	-	-	-
In kind expense	24,300	-	13,750	28,070	7,250	-	14,050	-	-
Depreciation	29,757	6,533	2,273	52,017	-	44,524	-	-	-
Insurance	-	-	-	-	-	-	-	-	-
Salary and benefits	111,302	44,952	32,230	171,140	793	5,467	48,866	722	16,012
Contract buyout	-	-	-	-	-	-	-	-	-
Telephone	-	-	-	-	-	-	-	-	-
Transfers to Southeastern Cooperative Endeavor Agreement	1,586	2,635	8,637	43,881	4,263	4,251	8,944	3,892	10,818
Travel	-	-	-	545	-	-	-	-	-
Team travel	-	648	-	4,359	-	501	-	-	-
Training	-	-	-	-	-	-	-	-	-
	<u>\$ 232,444</u>	<u>\$ 59,972</u>	<u>\$ 65,012</u>	<u>\$ 436,899</u>	<u>\$ 12,490</u>	<u>\$ 57,904</u>	<u>\$ 80,406</u>	<u>\$ 5,104</u>	<u>\$ 39,407</u>

2025

2024

Program					Supporting Activities		Total Expenses	Total Expenses	
Beach Volleyball	Indoor Volleyball	Cheer	North Oaks Academic & Athletic Complex	All Other Funds	Total Program Expenses	Management and General			Fundraising
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 44,073	\$ -	\$ -	\$ 44,073	\$ 51,555
-	-	-	-	-	-	15,136	-	15,136	10,132
-	-	-	-	-	-	7,463	10,700	18,163	16,292
-	-	-	-	-	5,675	-	-	5,675	6,925
720	6,778	8,637	-	191	147,643	123,987	-	271,630	271,573
38	-	690	-	-	6,663	56,460	-	63,123	46,072
-	-	-	-	-	-	-	135,391	135,391	196,046
-	737	191	-	-	27,544	484	-	28,028	27,300
-	-	-	-	-	-	-	-	-	121
-	-	8,848	-	633	9,481	-	-	9,481	21,858
-	-	-	-	-	27,054	-	-	27,054	37,528
-	-	-	-	-	-	-	107,556	107,556	78,846
-	-	-	11,250	9,250	107,920	11,627	-	119,547	173,517
-	-	-	-	1,858	136,962	23,805	-	160,767	165,045
-	-	-	-	-	-	6,633	-	6,633	3,970
302	43,880	-	-	1,522	477,188	170,284	-	647,472	685,010
-	-	-	-	-	-	-	-	-	224,552
-	-	-	-	-	-	13,407	-	13,407	12,468
9,643	13,200	60,332	-	223,638	395,720	-	-	395,720	708,039
-	-	-	1,459,218	-	1,459,218	-	-	1,459,218	2,873
-	-	-	-	-	545	180	-	725	212
-	-	2,724	-	-	8,232	-	-	8,232	8,527
-	-	9,715	-	-	9,715	-	-	9,715	13,500
<u>\$ 10,703</u>	<u>\$ 64,595</u>	<u>\$ 91,137</u>	<u>\$ 1,470,468</u>	<u>\$ 237,092</u>	<u>\$ 2,863,633</u>	<u>\$ 429,466</u>	<u>\$ 253,647</u>	<u>\$ 3,546,746</u>	<u>\$ 2,761,961</u>

The Notes To Financial Statements are an integral part of these statements.

Lion Athletics Association
Statement Of Cash Flows
Year Ended June 30, 2025
(With Comparative Totals For 2024)

	<u>2025</u>	<u>2024</u>
Cash Flows From Operating Activities		
Change in net assets	\$ 739,831	\$ (281,364)
Adjustments to reconcile net income to net cash provided (used) by operating activities:		
Depreciation	160,767	165,045
Donation of asset	-	2,873
(Increase) decrease in:		
Accounts receivable	81,997	(6,250)
Promises to give	(2,037,352)	(50,000)
Prepaid expenses	(100)	857
Increase (decrease) in:		
Accounts payable	(96,220)	65,819
Long-term pledge payable	1,459,218	-
Deferred revenue	233	(32,417)
Net cash provided (used) by operating activities	<u>308,374</u>	<u>(135,437)</u>
Cash Flows From Investing Activities		
Purchase of property and equipment	<u>(29,500)</u>	<u>(74,328)</u>
Net cash provided (used) by investing activities	<u>(29,500)</u>	<u>(74,328)</u>
Cash Flows From Financing Activities		
Payments on long-term debt	<u>(106,086)</u>	<u>(94,621)</u>
Net cash provided (used) by financing activities	<u>(106,086)</u>	<u>(94,621)</u>
Net Increase (Decrease) In Cash And Cash Equivalents	172,788	(304,386)
Cash and cash equivalents at beginning of year	<u>557,947</u>	<u>862,333</u>
Cash and cash equivalents at end of year	<u>\$ 730,735</u>	<u>\$ 557,947</u>
Supplementary disclosures of cash flow information:		
Cash paid during the year for interest	<u>\$ 44,073</u>	<u>\$ 51,555</u>

The Notes To Financial Statements are an intergral part of these statements.

Lion Athletics Association
Notes To Financial Statements
Year Ended June 30, 2025

Note 1. Summary Of Significant Accounting Policies

Nature of Organization

Lion Athletics Association (the Association) was incorporated on March 18, 1982, under the provisions of Louisiana Revised Statute 12:201 as a nonprofit corporation. The Association was formed to promote and support, on all levels, the Southeastern Louisiana University Athletics Programs. These programs include baseball, basketball, football, golf, soccer, softball, tennis, track, volleyball, cheer, athletic training and weight training. The Association is supported primarily through contributions from corporate sponsors and private donors.

Basis of Accounting

The accompanying financial statements of the Association have been prepared on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables, and other liabilities.

Basis of Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board (FASB) in its Accounting Standards Codification (ASC) 958-210-50-3, *Financial Statements of Not-for-Profit Organizations*. Under FASB ASC 958-210-50-3, the Association is required to report information regarding its financial position and activities according to two classes of net assets:

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor-imposed restrictions. The governing board may designate, from net assets without donor restrictions net assets for an operating reserve or board-designated endowment.

Net Assets With Donor Restrictions – Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature: those restrictions will be met by actions of the Association or by the passage of time. Other donor restrictions are perpetual in nature, where by the donor has stipulated the funds be maintained in perpetuity.

Lion Athletics Association
Notes To Financial Statements
Year Ended June 30, 2025

Note 1. Summary Of Significant Accounting Policies (continued)

Revenue and Support Recognition

Revenues are reported as increases in net assets without donor restrictions unless use of the related asset is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Gains or losses on assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation or by law.

Contributions

The Association recognized contributions as revenue when they are received or unconditionally pledged and records these revenues as with donor restriction or without donor restrictions according to donor stipulations that limit the use of these assets due to either a time or purpose restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statement of activities as net assets released from restrictions.

Contributions of nonfinancial assets are recognized at their estimated fair market values at the date of the donation within the statement of activities. These contributions are reported as a contribution with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When the donor restriction expires, that is, when some stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restriction and reported in the statement of activities as net assets release from restrictions within the statement of activities.

Lion Athletics Association
Notes To Financial Statements
Year Ended June 30, 2025

Note 1. Summary Of Significant Accounting Policies (continued)

Other Revenues

Performance obligations are determined based on the nature of the goods or services provided by the association in accordance with the contract. Revenue for performance obligations satisfied over time is recognized ratably of the period based on time elapsed. The Association believes this method provides a faithful depiction of the transfer of services over the term of the performance obligation based on the inputs needed to satisfy the obligation. Revenues without donor restriction are obtained from concession sales, sponsors, ticket fees, and special events. These revenues are recorded when the service is provided, or the merchandise is sold. Ticket fees are recorded when the tickets are used. Concessional sales are recorded as revenue upon transfer of the goods to the purchaser. Memberships and sponsors, considered to be exchange transactions, are deferred and recognized on a pro-rata basis over the related membership and sponsor terms. Membership fees and sponsors that carry benefits that can be utilized in future periods have been recorded as deferred revenue in the statements of financial position.

Cash and Cash Equivalents

The Association considers all short term investments with an original maturity of three months or less to be cash equivalents.

Promises to Give

Contributions are recognized when the donor makes a promise to give the Association that is, in substance, unconditional. Unconditional promises that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their future cash flows. The discounts on those amounts are computed using the United States Treasury Bill rates with maturities commensurate to the time period of the expected collection of the promise. The discounted rate used for the year is 3.79%. Amortization of the discount is included in contribution income. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional.

Lion Athletics Association
Notes To Financial Statements
Year Ended June 30, 2025

Note 1. Summary Of Significant Accounting Policies (continued)

Management estimates an allowance for uncollectible promises to give based on current economic conditions, historical trends, and current and past experience with the donor base. As of June 30, 2025 and 2024 management determined that no allowance was necessary.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Property, Plant and Equipment

Property, plant and equipment utilized by the Association are generally not recorded on the financial statement of the Association, as these assets are owned by Southeastern Louisiana University. For those assets owned by the Association, purchased property and equipment greater than \$1,000 is carried at cost; while donated property and equipment is recorded at the approximate fair value at the date of donation. Depreciation is computed using the straight-line method over an estimated life between five and twenty-five years.

Depreciation expense for the year ended June 30, 2025, was \$160,767.

Donated Services

A significant portion of the Association's functions are conducted by unpaid volunteers. The value of this contributed time is not reflected in the accompanying financial statements since the volunteers' time does not meet the requirement for recognition under FASB recommendations for not-for-profit entities.

Income Tax Status

Under provisions of the Internal Revenue Code, Section 501(c)(3), and the applicable income tax regulations of Louisiana, the Association is exempt from taxes on income other than unrelated business income. The Association has also been classified as an entity that is not a private foundation within the meaning of Section 509(a) and qualifies for deductible contributions as provided in Section

Lion Athletics Association
Notes To Financial Statements
Year Ended June 30, 2025

Note 1. Summary Of Significant Accounting Policies (continued)

170(b)(1)(A)(VI). Since the Association had no unrelated business income during the year ended June 30, 2025, no provision for income tax was made. Management has evaluated its tax positions and has determined that there are no uncertainties in income taxes that require adjustments for or disclosures in the financial statements.

Also, the Association's federal income tax returns are subject to possible examination by the taxing authorities until the expiration of the related statute of limitations on those returns. In general, federal income tax returns have a three year statute of limitations.

Accounts Receivable

Accounts receivable represent amounts due the Association. They are stated at amounts management expects to collect from outstanding balances. An allowance for credit losses is recorded based on a combination of write-off history, ageing analysis and any specific known troubled account. It is the Association's policy to charge off uncollectible accounts receivable when management determines the receivable will not be collected. The allowance account was \$-0- at June 30, 2025 and 2024. At June 30, 2025 and 2024, accounts receivable consist of the following:

	2025	2024
Sponsorships	\$ 42,759	\$ 25,266
Southeastern Louisiana University	45,650	99,190
Others	5,000	52,082
	\$ 93,409	\$ 176,538

Cost Allocation

The financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include compensation and benefits, which are allocated on the basis of estimates of time and effort.

Lion Athletics Association
Notes To Financial Statements
Year Ended June 30, 2025

Note 1. Summary Of Significant Accounting Policies (continued)

Deferred Revenue

Lion Athletics Association adopted FASB ASC 210, which states that collections received in advance of the delivery of goods or performance of services are to be

included in liabilities, known as deferred revenues, which consisted of sponsorships, memberships, ticket fees and a la carte items. Deferred income was \$49,298 and \$49,065 at June 30, 2025 and 2024, respectively. The revenue from these contracts will be recognized in the year the athletic season associated with the item is completed.

Advertising

The Association's policy is to expense advertising costs as the costs are incurred. Advertising costs for the year ended June 30, 2025 was \$24,868.

Note 2. Promises to Give

Promises to give consist of unconditional promise to give as follows at June 30, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Promises to give	\$2,450,000	\$ 50,000
Less discount to present value	<u>362,648</u>	<u>-</u>
Promises to give, net	<u>\$2,087,352</u>	<u>50,000</u>

Contributions are expected to be collected as follows during the year ended June 30, 2025

Within one year	\$ 350,000
In one to five years	1,500,000
Over five years	<u>600,000</u>
	2,450,000
Less discount to net present value	<u>362,648</u>
	<u>\$2,087,352</u>

Lion Athletics Association
Notes To Financial Statements
Year Ended June 30, 2025

Note 3. Contributed Nonfinancial Assets

For the year ended June 30, 2025, contributed nonfinancial assets recognized within the statement of activities included:

Food	\$ 7,277
Courtesy cars	75,570
Hotel rooms	31,900
Services/support	<u>4,800</u>
	<u>\$ 119,547</u>

The Association recognized contributed nonfinancial assets within revenue, including contributed food, courtesy cars, hotel rooms, equipment/supplies and professional services/support. Unless otherwise noted, contributed nonfinancial assets did not have donor-imposed restrictions.

Courtesy cars were utilized by football, soccer, baseball, golf and basketball coaches and the administration. The Association estimates fair value of the vehicle, then using Internal Revenue Service annual lease value table calculates an estimated fair value of the courtesy car.

Contributed food was utilized by the various programs to provide food to students, coaches and administration. Contributed equipment was utilized by concessions. In valuing food and equipment the Association estimated the fair value on the basis of estimates of values that would be received for selling similar products in the United States.

Contributed hotel rooms were utilized by football, baseball and softball. The Association estimates fair value as the cost of comparable rooms at the hotel in the area.

Contributed services/support recognized include standby ambulance services provided at football games. Contributed services are valued and are reported at the estimated fair value in the financial statements based on current rates for similar services.

Lion Athletics Association
Notes To Financial Statements
Year Ended June 30, 2025

Note 4. Net Assets With Donor Restrictions

Net Assets With Donor Restrictions are for the following programs or purpose at June 30, 2025:

Baseball and baseball facility	\$ (75,083)
Men's basketball	1,298
Women's basketball	33,974
Football	284,667
Golf	55,329
Soccer and soccer facility	71,159
Softball	28,576
Tennis	23,636
Track and track facility	37,435
Athletic training	35,058
Volleyball	67,939
Cheer	86,092
Student athletic advisory committee	4,077
Weight training program	5,764
North Oak's Academic & Athletic Complex	578,134
All other general funds	<u>33,009</u>
	<u>\$1,271,064</u>

Changes in Net Assets With Donor Restrictions for the fiscal year ended June 30, 2025 are as follows:

Net Assets With Donor Restrictions at July 1, 2024	\$ 650,362
Increase in Net Assets With Donor Restrictions	2,746,100
Net Assets Released from Restrictions	<u>(2,125,398)</u>
Net Assets With Donor Restrictions at June 30, 2025	<u>\$1,271,064</u>

Lion Athletics Association
Notes To Financial Statements
Year Ended June 30, 2025

Note 5. Lease

In connection with the installation of artificial turf and drainage at Strawberry Field, the Association (Tenant) entered into an agreement with the Board of Supervisors for University of Louisiana System acting on behalf of Southeastern Louisiana University (Landlord), a political subdivision of the State of Louisiana effective April 23, 2020, to lease property located in Hammond, Louisiana. The Association had previously installed artificial turn and drainage on the leased premises. The term of lease commenced on the effective date of the agreement for a term of 9 years. The consideration of the lease is the construction of improvements by the Tenant's improvements through the remaining term of the lease. Conditions of the lease also provide that the leased premises are to be used by Southeastern Louisiana University. The Tenant agrees to assume responsibility for maintenance, repair, and replacement obligations, all taxes, and insurance in amounts reasonably satisfactory to the Tenant.

Note 6. Long-term Debt

The Association has a note payable, dated March 17, 2017 refinanced May 26, 2021, to pay for turf on the baseball field and for the baseball scoreboard. Monthly payments are \$3,655.34, including interest and principal. The interest rate on this note is subject to change from time to time based on changes in an independent index. The Index currently is 7% per annum, the maximum rate. The loan has a maturity date of June 5, 2028 and is collateralized by the equipment purchased. The loan balance at June 30, 2025, was \$129,556.

The Association has a note payable, dated September 14, 2018 which was refinanced in September 2023, to pay for turf on the softball field. Monthly payments are \$2,226.90, including interest and principal. The interest rate on this note is subject to change from time to time based on changes in an independent index. The Index currently is 9% per annum, the maximum rate. The loan has a maturity date of September 14, 2025 with a balloon payment of the entire unpaid balance of principal and interest due at that time. The loan is collateralized by the turf purchased. The loan balance at June 30, 2025, was \$6,593.

The Association has a note payable, dated May 26, 2021 to pay for turf for the football field. Monthly payments are \$6,113.17. The interest rate on this note is subject to change from time to time based on changes in an independent index. The Index currently is 7% per annum, the maximum rate. The loan has a maturity date of June 5, 2026 with a balloon payment of the entire unpaid balance of principal and interest due at that time. The loan is collateralized by the turf purchased. As of June 30, 2025, the loan balance was \$420,997.

Lion Athletics Association
Notes To Financial Statements
Year Ended June 30, 2025

Note 6. Long-term Debt (continued)

Interest expense paid and incurred was \$44,073 as of June 30, 2025.

The future maturities of these notes payable as of June 30, 2025, are as follows:

2026	\$ 462,893
2027	37,855
2028	<u>56,398</u>
	<u>\$ 557,146</u>

The Association is required to comply with a loan covenant as listed in the loan agreement with First Guaranty Bank. As of June 30, 2025, the Association was not in compliance with certain covenants. The Association is currently working with the bank regarding the issue.

Note 7. Concentration Of Risk

Concentration of Credit Risk Arising from Cash Deposits

The Association maintains its cash balances at banks that are insured by the Federal Deposit Insurance Corporation. The balances are insured by the Federal Deposit Insurance Corporation up to \$250,000. At June 30, 2025, the balance in the bank exceeded the limit by approximately \$532,900.

Concentration of Credit Risk Due to Accounts Receivable and Promises to Give

Credit risk for accounts receivable can be concentrated if substantially all of the balances are receivable from entities located within the same geographic region. As of June 30, 2025, accounts receivable was \$93,409 and allowance for doubtful accounts was \$-0-. At June 30, 2025, approximately 49% or \$45,650 of the accounts receivables is due from Southeastern Louisiana University. As of June 30, 2025 promises to give was \$2,087,352. This promise to give is from 2 donors. Of the promises to give, 97% is from one donor.

Concentration of Credit Risk and Revenue

The Association is exposed to a concentration of credit risk related to its primary funding sources. For the year ended June 30, 2025, approximately 48% of total revenue was received from a single donor.

Lion Athletics Association
Notes To Financial Statements
Year Ended June 30, 2025

Note 7. Concentration Of Risk (continued)

A significant reduction in the level of contributions from this donor could have a near-term severe impact on the Association's programs and activities. Management actively monitors this concentration and seeks to diversify its funding base, though it is reasonably possible that the vulnerability could persist in the near term.

Note 8. Related Party Transactions

The Association occupies an office provided by Southeastern Louisiana University. Since the value of the facilities used by the Association is not readily determinable, no related donation income or rent expense is recorded. In addition, and in accordance with Louisiana Revised Statutes 17:3390, the Association is of the opinion that all expenditures and in-kind services, except unrestricted funds used for administration, benefit the University. These amounts greatly exceed the cost of housing, personnel, and other support furnished to the Association by the University.

Financial services for the Association are performed by Southeastern Louisiana University Foundation (Foundation) employees. The Association paid \$19,560 to the Foundation for the year ended June 30, 2025, for these services.

Pledges payable represent amounts due to Southeastern Louisiana University Foundation.

Note 9. Cooperative Endeavor Agreement

In 2025, the Association agreed to enter in to a cooperative endeavor agreement with Southeastern Louisiana University Foundation, to reimburse the Foundation for payments made to the University for funding the Academic Athletic Training and Ancillary Athletic Facility, Planning and Construction. The total amount due to the Foundation is \$1,459,218 and is included in the statement of financial position as pledge payable. The first payment of \$300,000 is due October 2025. The term of the agreement shall begin on October 15, 2026 with annual payments of \$260,000 per year for reimbursement and \$40,000 per year for management fee for services rendered. Payments shall continue until the advance is repaid. \$1,459,218 is included in the statement of functional expenses as cooperative endeavor agreement.

Lion Athletics Association
Notes To Financial Statements
Year Ended June 30, 2025

Note 10. Fundraising Expense Ratio

The following represents the entity's fundraising expense ratio for the year ended June 30, 2025:

Total support generated in the statement of activities	\$ 3,642,496
Fundraising expense	253,647
Fundraising expense ratio	7%

Note 11. Contingencies

The Association is occasionally involved in litigation and regulatory investigations arising in the ordinary course of operations. While the ultimate outcome of these matters is not presently determinable, it is the opinion of management that the resolution of outstanding claims will not have a material adverse effect on the financial position or results of operations of the Association.

The Association is liable to some Athletic coaches in the event the team reaches certain achievements or if the coach is terminated. The amounts vary by contract. The ultimate outcome of these matters is uncertain. It is the opinion of management such matters will not have a material effect upon the financial position of the Association.

Note 12. Comparative Totals For 2024

The financial statements include certain prior year summarized comparative information in total but not by net asset class or functional expense category. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Association's financial statements for the year ended June 30, 2024, from which the summarized information was derived.

Lion Athletics Association
Notes To Financial Statements
Year Ended June 30, 2025

Note 13. Liquidity And Availability Of Financial Assets

The following reflects the Association's financial assets as of the statement of financial position date, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the statement of financial position date.

Cash and equivalents	\$ 730,734
Accounts receivable	<u>93,409</u>
Total financial assets at year-end	824,143
Less those unavailable for general expenditures within one year:	<u>-</u>
Financial assets available to meet cash needs for general expenditure within one year	<u>\$ 824,143</u>

As part the Association's liquidity management, the Association invests cash in excess of daily requirements in short term investments, typically interest earning checking accounts.

Note 14. Subsequent Events

Management has evaluated subsequent events through the date that the financial statements were available to be issued, December 9, 2025.